910 Saint Charles Street Rapid City, SD 57701 phone. 605-716-2175

October 8, 2006

Mr. David Valenstein Federal Railroad Administration 1120 Vermont Avenue, NW Mail Stop 20 Washington, DC 20590

FRA-2006-26099-654

Re: Dakota, Minnesota and Eastern Railroad

Dear Mr. Valenstein:

We are concerned citizens of South Dakota who have followed the turbulent history of the DM&E Railroad for several years. It has been an interesting saga due to questionable financial deals and its poor safety record, the worst in the industry.

Our recent concern, however, is the outdated environmental impact statement which was prepared by the Surface Transportation Board about nine years ago. (The railroad and its operations have changed, including the acquisition of the IC&E. Railroad.) The EIS from the STB is outdated, incomplete, and probably severely flawed. It should be disregarded.

The FRA should prepare an entirely new EIS to address current plans. Clean air, water, and soil cannot be assumed.

At this time when our emphasis should be on wiser consumption and developing renewable fuel sources, the railroad intends to haul more fossil fuel, supposedly cheaper, indirectly encouraging carbon oxidation and continued squandering of our environment.

The DM&E has tried to sell this idea, saying private investors will jump on board. But after several years, DM&E has been unable to raise capital for this loser deal. So it proposes a taxpayer-funded economic bailout, in spite of serious questions of its ability to ever repay the loan. Frankly, repayment is doubtful. In fact, this would be the largest federal government bailout of private business in history. The FRA will come out looking pretty bad at some point in the future if this bad funding is approved. Let's not do it.

Thank you for your consideration of our views.

Sincerely

Larry Beezley

Evelyn Provell

Dear Mr. Valenstein,

As an owner of land in western South Dakota adjacent to the DM& E Railroad I have first hand knowledge of the environmental impacts of train traffic. The smoke and devastation caused by a train started grass fire, that also destroyed one of my buildings 30 feet from the right of way, degraded not only the air quality but my quality of life.

I believe that the Federal Railroad Administration needs its own Environmental Impact Statement. A project of this magnitude that will impact the environment of every living creature within sight or sound of the trains is deserving of a complete environmental review by your administration. When I say every living creature I am also including the human residents of South Dakota that make will have their lives forever altered by the sound, coal dust, and industrial pollution created by that many trains carrying uncovered cargo a few feet from their homes and businesses

Based on their past record I do not trust the present management on the DM&E to be responsible enough to take care of the many concerns that have yet to be addressed by the Surface Transportation Board's EIS. Please do not rush this through until solutions have been found and remedies spelled out that the DM&E will have to live by.

Thank you, 10 - 69 - 66

Robert Burns 12017 N Hwy 79

Black Hawk, SD 57718

787-4783

Dear Mr. Valenstein:

I am a concerned citizen from a community near the Dakota, Minnesota, and Eastern railroad's proposed Powder River Basin project.

I urge the FRA to conduct its own environmental review instead of accepting the EIS prepared by the Surface Transportation Board. The STB did a poor job, ignoring any views other than the railroad. It is riddled with factual errors, out-of-date maps and incomplete studies of air, water, archaeology, and paleontology.

The transportation information is over nine years old as well as all of the environmental information. The project has changed radically with the addition of the ICE and Colony lines.

The STB's document is still being appealed to the 8th Circuit so final approval of that document is not even assured.

The present carriers are able to raise private capital to serve the public need for railroad transportation throughout the United States without begging for a huge subsidy from the federal government.

No public information has come forth to indicate that the DME would ever be able to repay a loan of this magnitude. DME has not been able to raise any money from the private sector and has not been able to show that it could ever secure any contracts to deliver coal. Why should the DME be given a sweetheart finance deal to compete with other railroads that can get the job done with private money.

In addition, the DM&E has a huge credibility problem. Their officials have tailored their stories to the different audiences and have submitted false information. In addition their submissions are always filed under seal so that we have no way to check their truthfulness. With their history of playing loosely with the facts, all filings asking for public assistance need to be open to the public.

The STB's constant refrain in all decisions was that the "market will decide whether this railroad will be built." The application for the use of federal money changes the project 180 degrees and so the environmental emphasis also changes radically.

I strongly support the need for the Federal Railroad Administration to prepare its own environmental impact statement. I object to the use of my money for this ill-conceived project.

Sincerely,

1) L. Childre

Dear Mr. Valenstein:

I am a landowner along the proposed route of the Dakota, Minnesota and Eastern railroad Powder River Basin Project. I have only cooperated with the DM&E to the extent required by eminent domain law.

I urge the FRA to conduct its own environmental review instead of accepting the EIS prepared for the Surface Transportation Board. The STB did a poor job, ignoring any views other than the railroad's. It is riddled with factual errors, out-of-date maps and incomplete studies of air, water, archaeology, and paleontology.

The transportation information is over nine years old as well as all of the environmental information. The project has changed radically with the addition of the ICE and Colony lines.

The STB's document is still being appealed to the 8th Circuit so final approval of that document is not even assured.

The present carriers are able to raise private capital to serve the public need for railroad transportation throughout the United States without begging for a huge subsidy from the federal government.

No public information has come forth to indicate that the DME would ever be able to repay a loan of this magnitude. DME has not been able to raise any money from the private sector and has not been able to show that it could ever secure any contracts to deliver coal. Why should the DME be given a sweetheart finance deal to compete with other railroads that can get the job done with private money.

In addition, the DM&E has a huge credibility problem. Their officials have tailored their stories to the different audiences and have submitted false information. In addition their submissions are always filed under seal so that we have no way to check their truthfulness. With their history of playing loosely with the facts, all filings asking for public assistance need to be open to the public.

The STB's constant refrain in all decisions was that the "market will decide whether this railroad will be built." The application for the use of federal money changes the project 180 degrees and so the environmental emphasis also changes radically.

I strongly support the need for the Federal Railroad Administration to prepare its own environmental impact statement. I object to the use of my money for this ill-conceived project.

Sincerely,

Chris Matrix

10-04.06

Dear Mr. Valenstein:

I am a concerned citizen from a community near the Dakota, Minnesota, and Eastern railroad's proposed Powder River Basin project.

I urge the FRA to conduct its own environmental review instead of accepting the EIS prepared by the Surface Transportation Board. The STB did a poor job, ignoring any views other than the railroad. It is riddled with factual errors, out-of-date maps and incomplete studies of air, water, archaeology, and paleontology.

The transportation information is over nine years old as well as all of the environmental information. The project has changed radically with the addition of the ICE and Colony lines.

The STB's document is still being appealed to the 8th Circuit so final approval of that document is not even assured.

The present carriers are able to raise private capital to serve the public need for railroad transportation throughout the United States without begging for a huge subsidy from the federal government.

No public information has come forth to indicate that the DME would ever be able to repay a loan of this magnitude. DME has not been able to raise any money from the private sector and has not been able to show that it could ever secure any contracts to deliver coal. Why should the DME be given a sweetheart finance deal to compete with other railroads that can get the job done with private money.

In addition, the DM&E has a huge credibility problem. Their officials have tailored their stories to the different audiences and have submitted false information. In addition their submissions are always filed under seal so that we have no way to check their truthfulness. With their history of playing loosely with the facts, all filings asking for public assistance need to be open to the public.

The STB's constant refrain in all decisions was that the "market will decide whether this railroad will be built." The application for the use of federal money changes the project 180 degrees and so the environmental emphasis also changes radically.

I strongly support the need for the Federal Railroad Administration to prepare its own environmental impact statement. I object to the use of my money for this illconceived project.

Sincerely, a

Sincerely, of Carryl El Cing and Just 71/8/2000 pring Call Kan

(Mhite Facx Po Box 140 Manderson, 50,50756 Oct. 6,2006

Mr. David Valenstein Federal Railroad Administration 1120 Vermont Avenue, NW Mail Stop 20 Washington, DC 20590

Dear Mr. Valenstein:

I am a concerned citizen from a community near the Dakota, Minnesota, and Eastern railroad's proposed Powder River Basin project.

I urge the FRA to conduct its own environmental review instead of accepting the EIS prepared by the Surface Transportation Board. The STB did a poor job, ignoring any views other than the railroad. It is riddled with factual errors, out-of-date maps and incomplete studies of air, water, archaeology, and paleontology.

The transportation information is over nine years old as well as all of the environmental information. The project has changed radically with the addition of the ICE and Colony lines.

The STB's document is still being appealed to the 8th Circuit so final approval of that document is not even assured.

The present carriers are able to raise private capital to serve the public need for railroad transportation throughout the United States without begging for a huge subsidy from the federal government.

No public information has come forth to indicate that the DME would ever be able to repay a loan of this magnitude. DME has not been able to raise any money from the private sector and has not been able to show that it could ever secure any contracts to deliver coal. Why should the DME be given a sweetheart finance deal to compete with other railroads that can get the job done with private money.

In addition, the DM&E has a huge credibility problem. Their officials have tailored their stories to the different audiences and have submitted false information. In addition their submissions are always filed under seal so that we have no way to check their truthfulness. With their history of playing loosely with the facts, all filings asking for public assistance need to be open to the public.

The STB's constant refrain in all decisions was that the "market will decide whether this railroad will be built." The application for the use of federal money changes the project 180 degrees and so the environmental emphasis also changes radically.

I strongly support the need for the Federal Railroad Administration to prepare its own environmental impact statement. I object to the use of my money for this ill-conceived project.

P.S. There is werenium in the cont to be surried by DM &E.

This was never mentioned in the STB's EIS. The michae suchition effect, much to be addressed locally & at the power plants in the East.

CHRISTOPHER FAYE 241 W. SKYLINE COURT MANKATO, MN 56001-1924

PHONE (507) 345-3309

FAX (507) 388-2257

October 9, 2006

Mr. David Valenstein Environmental Program Manager Federal Railroad Administration 1120 Vermont Ave., N.W. Mail Stop 20 Washington, D.C. 20590

Re: DM&E Loan

Dear Mr. Valenstein:

While it is true that an environmental study relating to this potential project has been completed, I believe that the time that has elapsed since its completion qualifies it for a "stale" status. This would call for another such study.

It is my belief that the financial feasibility of this potential project qualifies it for "not for the public good but rather for private gain" status.

Here is why.

I am sure that you have already been exposed to a number of authoritative financial studies illustrating the virtual impossibility of the loan repayment. Nevertheless I believe DM&E president Kevin Schieffer when he suggests that DM&E would not be interested in assuming the contemplated \$2.3 billion debt if he thought it could not be repaid.

I believe that it can be repaid simply because if the loan is granted, DM&E will then immediately become a likely acquisition target for existing profitable competitors, and the DM&E owners the likely recipients of a financial bonanza. And at that point the loan could indeed be regarded in the category of "not for the public good but rather for private gain" status.

It is my belief that the FRA loan program was not designed for this type of usage.

Yours truly,

(hristopher Tane.

Dear Mr. Valenstein:

I am a landowner along the proposed route of the Dakota, Minnesota and Eastern railroad Powder River Basin Project. I have only cooperated with the DM&E to the extent required by eminent domain law.

I urge the FRA to conduct its own environmental review instead of accepting the EIS prepared for the Surface Transportation Board. The STB did a poor job, ignoring any views other than the railroad's. It is riddled with factual errors, out-of-date maps and incomplete studies of air, water, archaeology, and paleontology.

The transportation information is over nine years old as well as all of the environmental information. The project has changed radically with the addition of the ICE and Colony lines.

The STB's document is still being appealed to the 8th Circuit so final approval of that document is not even assured.

The present carriers are able to raise private capital to serve the public need for railroad transportation throughout the United States without begging for a huge subsidy from the federal government.

No public information has come forth to indicate that the DME would ever be able to repay a loan of this magnitude. DME has not been able to raise any money from the private sector and has not been able to show that it could ever secure any contracts to deliver coal. Why should the DME be given a sweetheart finance deal to compete with other railroads that can get the job done with private money.

In addition, the DM&E has a huge credibility problem. Their officials have tailored their stories to the different audiences and have submitted false information. In addition their submissions are always filed under seal so that we have no way to check their truthfulness. With their history of playing loosely with the facts, all filings asking for public assistance need to be open to the public.

The STB's constant refrain in all decisions was that the "market will decide whether this railroad will be built." The application for the use of federal money changes the project 180 degrees and so the environmental emphasis also changes radically.

I strongly support the need for the Federal Railroad Administration to prepare its own environmental impact statement. I object to the use of my money for this illconceived project.

Alice Harris
10-05-06

Dear Mr. Valenstein:

I am a landowner along the proposed route of the Dakota, Minnesota and Eastern railroad Powder River Basin Project. I have only cooperated with the DM&E to the extent required by eminent domain law.

I urge the FRA to conduct its own environmental review instead of accepting the EIS prepared for the Surface Transportation Board. The STB did a poor job, ignoring any views other than the railroad's. It is riddled with factual errors, out-of-date maps and incomplete studies of air, water, archaeology, and paleontology.

The transportation information is over nine years old as well as all of the environmental information. The project has changed radically with the addition of the ICE and Colony lines.

The STB's document is still being appealed to the 8th Circuit so final approval of that document is not even assured.

The present carriers are able to raise private capital to serve the public need for railroad transportation throughout the United States without begging for a huge subsidy from the federal government.

No public information has come forth to indicate that the DME would ever be able to repay a loan of this magnitude. DME has not been able to raise any money from the private sector and has not been able to show that it could ever secure any contracts to deliver coal. Why should the DME be given a sweetheart finance deal to compete with other railroads that can get the job done with private money.

In addition, the DM&E has a huge credibility problem. Their officials have tailored their stories to the different audiences and have submitted false information. In addition their submissions are always filed under seal so that we have no way to check their truthfulness. With their history of playing loosely with the facts, all filings asking for public assistance need to be open to the public.

The STB's constant refrain in all decisions was that the "market will decide whether this railroad will be built." The application for the use of federal money changes the project 180 degrees and so the environmental emphasis also changes radically.

I strongly support the need for the Federal Railroad Administration to prepare its own environmental impact statement. I object to the use of my money for this ill-conceived project.

Sincerely.

10-2-06

Mith Harri Nurasile Wyorney Mr. David Valenstein Environmental Program Manager Federal Railroad Administration 1120 Vermont Avenue NW, Mail Stop 20 Washington, DC 20590

Dear Mr. Valenstein:

I have been involved in the DM&E's planned expansion potentially through our land for over eight years. I have attended countless meetings and written many letters protesting their choice of routes into Wyoming. I am not against the railroad; I just want them to stay on existing rights-of-way and established routes. Their proposed route will disrupt and change forever ranching operations established over 100 years ago.

I am also a retired Military Intelligence officer and presently a member of then American College of Forensic Examiners certified by the American Board for Certification in Homeland Security. I am greatly concerned with the proposed quantum increase of chemical rail car traffic through Rochester only 800 yards from the Mayo Clinic. A derailment—and DM&E has had many—would be a disaster for patients there. A derailment could be accidental since DM&E is the most accident—prone railroad in the nation; or a terrorist could cause a derailment near the clinic. Either way it would be a monumental disaster! Allowing the DM&E to go so near the Mayo Clinic would be handing any terrorist organization a great opportunity to kill thousands of people.

I urge the FRA to review the above concerns and request a new EIS. The EIS prepared by DM&E for the STB was poorly done and contained many errors. In addition, the information in the EIS is outdated: the project has changed and the STB's document is still under appeal in the courts.

My final concern is the request by DM&E for the biggest loan by the government to a private company in U.S. History. Not only is it the largest loan to a private company, but it is not even an American company; the majority stockholders are British. Maybe this is their revenge for the Boston tea party?

For these reasons I urge the FRA to review the proposals for this expansion by DM&E and at the very least request a new and updated EIS.

Sincerely Johnson

LTC LaVern R. Johnson, USArmy (Ret)

Rancher

2360 Roxson Road

Newcastle, Wyoming 82701

Dear Mr. Valenstein:

I am a landowner along the proposed route of the Dakota, Minnesota and Eastern railroad Powder River Basin Project. I have only cooperated with the DM&E to the extent required by eminent domain law.

I urge the FRA to conduct its own environmental review instead of accepting the EIS prepared for the Surface Transportation Board. The STB did a poor job, ignoring any views other than the railroad's. It is riddled with factual errors, out-of-date maps and incomplete studies of air, water, archaeology, and paleontology.

The transportation information is over nine years old as well as all of the environmental information. The project has changed radically with the addition of the ICE and Colony lines.

The STB's document is still being appealed to the 8th Circuit so final approval of that document is not even assured.

The present carriers are able to raise private capital to serve the public need for railroad transportation throughout the United States without begging for a huge subsidy from the federal government.

No public information has come forth to indicate that the DME would ever be able to repay a loan of this magnitude. DME has not been able to raise any money from the private sector and has not been able to show that it could ever secure any contracts to deliver coal. Why should the DME be given a sweetheart finance deal to compete with other railroads that can get the job done with private money.

In addition, the DM&E has a huge credibility problem. Their officials have tailored their stories to the different audiences and have submitted false information. In addition their submissions are always filed under seal so that we have no way to check their truthfulness. With their history of playing loosely with the facts, all filings asking for public assistance need to be open to the public.

The STB's constant refrain in all decisions was that the "market will decide whether this railroad will be built." The application for the use of federal money changes the project 180 degrees and so the environmental emphasis also changes radically.

I strongly support the need for the Federal Railroad Administration to prepare its own environmental impact statement. I object to the use of my money for this ill-conceived project.

Sincerely, MAYVIM KAMMEREN BOX 22198 Elk VALE Rd RAPIDCHY S.D. 57701 Marvin Kammeren

ADDENum: P.S. on Yellow Sheet

If washington seriously considers this

Prodject of D. The s, congressional hearing in

western S.D. Are a most. There are a lot of

People opposed to this prodject if and when

they are presented with the facts.

There is one blalant fact and that is that the coaldest twins (schiefer of D. M. E. + Sem Thome Are good at shaking the money tree of the federal government + Are now beinging supported by the rest-of SiDi Congressional & crowd + A number of town mayors who believe Schiefers suggestioms of improved Agricultural Service. I might Ask who is going to build 3 mile train sidings + huge grain handling facilities? The suggestive . 20 cents for bushel increase of grain will be eaten up + more.

Also are you people going to buy the relling stack.

Kevin sthiefers Proposals are All over the map.

He promosed 3400 jobs several yes ago, now it is

lo,000. He has not dealt up front with Rople on

The land impacted but instead has used threats and

Aprograntly refused Thier suggestions. This will

destroy some ranchs and create havoc for others

Plus provin roin future income potential, we desure

better - "Kevin Schiefer is blowing smokes all over

The Place to Sullible Folks." This is the

worst Kinds of Socialism. It you spend this kind

of money for Private interprise, Nationalise the

Prodject "

John J. McLeod, Jr. 44578 W. Little McDonald Dr. Dent, Minnesota 56528

Phone: 218-758-2753

October 7, 2006

David Valenatein, Envisonmental Program Manager Federal Railroad administration 1120 Vermont Que., N.W. Mail Stop 20 Washington, D.C. 20590

Dear Mr. Valenstein;

Re: Enabling of the DME Railwood to run trains through Rochaster, minn.

Jam writing you to express my objections for any funding or enablement of the DM XE Railroad to run many heavy trains through downtown Rochester, Minnesta - even less than 500 feet from the Mayo Clinic Medical Center and Hospitals. My ressons are as follows:

I: The safety record of the DM & E is one of the worst railroads. It is inconsciable that you would allow funding or enable this railway company to move its trains so close to this long established world famous medical dacility which treats thousands of patient each year. The potients are very ill and helplass to save themselves in the event of a train catastrophe in the city, which could cause emission of to vic gases from certain types of freight being transported. This would be a devastating event.

Jam opposed to loaning this raibroad such an unusally large sum of tappayers' money. The raibroads financial record is not foverable in any to receive such a favor! It would not be a wise laan. For these reasons, especially, I believe that the FRC should safeguard the public's interest and welfare by ruling against enabling and funding this endeavor of the DM XE.

Respectfully submitted, Jahn Dine Lead, J. October 5, 2006

Mr. David Valenstein Federal Railroad Administration 1120 Vermont Avenue, NW Mail Stop 20 Washington, DC 20590

Dear Mr. Valenstein:

I am a landowner and business owner along the proposed Dakota, Minnesota & Eastern Railroad Powder River Basin Project. We live adjacent to the Colony Line in southwestern South Dakota. <u>DM&E is not a good neighbor</u>. A bad neighbor is a poor business partner.

Despite the recent \$233 million Federal loan, there has been absolutely no cooperation from this railroad regarding fence upkeep, road crossings, underpasses, and related maintenance issues. For our government to even consider granting an additional \$2.3 billion to a private corporation that is unsecured by any form of collateral and requires no payments for six years is an insult to other private businesses such as ours and raises serious concerns about credibility and ethics. This entire project has been, and continues to be represented by falsehoods and shrouded in secrecy. The use of Federal funds to finance this proposal does not represent the public interest or public need in any way.

We request that the FRA conduct a new, unbiased EIS. The Environmental Impact Statement that is being utilized to make your decision is outdated, slanted, and inaccurate to say the least (factual errors, engineering errors, out-of-date maps and incomplete studies of air, water, archaeology, and paleontology), and it does not include the addition of the IC&E line. It is unconscionable for this Board to make a decision of this magnitude based upon inadequate and misrepresented information. The STB's Environmental Impact Statement is still being appealed to the 8th Circuit Court so final approval of that document is not even assured.

We request an FRA economic study that proves beyond a doubt the need for this use of public funds. DM&E/IC&E have not been able to secure financing from the private sector and have not been able to show that they can secure any contracts to deliver coal. Current and future demands of service have and will continue to be met by private investment of other railroads. Numerous economic studies have proven that DM&E/IC&E cannot meet the financial obligations of the \$2.3 billion for which they have applied, let alone repay the \$7 billion that will be required to complete this project. It is unrealistic to think that this loan could ever be repaid. For these reasons, the loan applications of DM&E and IC&E must be denied.

We urge you to acknowledge and seriously consider the legitimate concerns that are being presented by the American public. The Sioux Tribe and the vast majority of the people on the route of this proposed rail line are opposed to this expansion. The approval of this loan would not only ruin my business and that of my neighbors, but it will threaten the custom and culture of our country.

Sincerely,

DALE & CHRIS MOLITOR

P.O. Box 74

Smithwick, SD 57782

Dear Mr. Valenstein:

As a US citizen and former mayor of South Dakota's second largest city, I write you today to express my concerns regarding the DM&E rail expansion process in play.

The laws of our country concerning environmental review were promulgated with a desire by lawmakers to provide guidelines for proper review of projects such as this rail expansion. As neither the intent, or the letter, of those laws governing due diligence in environment-related review of this project have been adhered to as of this writing, I urge FRA to prepare its own environmental impact statement.

Confidence of the public in our institutions and the laws pertaining to same are the driving force behind good government. Please instill that confidence by showing FRA's commitment to those principles.

Thank you.

Sincerely,

Jerry A Munson

Mayor of Rapid City, SD (2001-2003)

2310 Arrow Street

Rapid City, SD 57702-4302

605-342-4701

Tim, Wendy & Kylie Roth 2018 Eclipse Rapid City, SD 57703 605-393-1255

10/10/06

Mr. David Valenstein Federal Railroad Administration 1120 Vermont Avenue, NW Mail Stop 20 Washington, DC 20590

RE: Comments DM&E Rail project

I request that the Federal Railroad Administration prepare its own Environmental Impact Statement because the documents prepared by the Surface Transportation Board are out of date and inaccurate. The FRA was not a cooperating agency and therefore is not entitled to adopt another agency's documents. A federal loan is an entirely different consideration than a document prepared by an agency like the STB which is "charged with promoting railroads." The FRA must comply with executive orders while the STB is not required to do so. The STB prepared their documents using the defense that "the market will decide" whether the DM&E will be built. Since they have applied for the government to finance their project, the project must be considered in a different light.

The following are a few of the reasons I oppose the adoption of the STB documents. The major environmental impacts are on the Cheyenne River and its tributaries, on the Thunder Basin and Buffalo Gap National Grasslands, on air quality in Badlands and Wind Cave National Parks, and on air quality in the nation as a whole by the promotion of more coal burning.

Construction and operation of a heavy haul coal rail line would seriously impact the water quality in the Cheyenne River as this proposal crosses a huge number of tributaries of the Cheyenne and basically follows the Cheyenne River valley for 250 miles.

The riparian habitat in the midst of a large undivided grassland is critical habitat for many migratory and resident bird populations. No complete survey of birds is included in the DEIS and the impact is considered only on raptors. A heavy haul coal rail line always includes an all-weather road on at least one side of the track. Much more traffic and impact is introduced into the area than just a few trains per day. Motorized vehicles travel very rarely through much of this area now but with a major railroad there will be a large increase in human activities. These impacts are minimized in the DEIS in Volume III-B, page 4.4-95 as "Operation and maintenance of the rail line is not expected to have much of an impact on songbirds." There is no recognition that division of these Grasslands and loss of solitude, privacy, and habitat will impact the prairie birds and mammals. The FEIS makes no mention of impact on grassland birds which are considered one of the most clearly "at risk" groups of songbirds.

The project would have negative impact on Class I air sheds of Badlands and Wind Cave. In Volume III-B, 4.4-50, the DEIS states that the air quality impacts would not be severe saying, "if the visitor had not previously visited the area, they would be unfamiliar with the landscape and may not recognized that their view was impaired." So much for maintaining air quality! The FEIS mentions that a working group will try to find a solution to these problems for the Class 1 air sheds but no final result has ever been made available to the public.

The Scope says that the potential air quality impacts associated with increased availability of Southern Powder River Basin coal will be evaluated. The FEIS has no such evaluation-just the assertion that PRB coal is lower sulfur and clean burning. One of the major impacts will be that this rail line will be able to haul coal at a lower price to the Eisenhower era power plants that are creating so much of the air quality problems in the eastern states. The target areas include the Chicago Gateway and the Wisconsin Gateway-both of which are contributing to the pollution problems of the eastern seaboard. Approval of this project enhances these big polluters ability to obtain the cheap coal they need to continue to operate. Our efforts and money should be directed at renewable energy sources and more environmentally friendly ways to transport energy.

The environmental statements are incomplete-many places in the document refer to "incomplete information." It is impossible to comment on unknown information. The cultural resources of the area, most of which are on private land, have been largely ignored. No complete survey of those resources has been done. Many Native and early American sites may be destroyed by construction and the Programmatic Agreement does not

adequately address the private lands. In addition, none of the local area Native American tribes signed the PA.

Adequate mitigation measures for sound, light, and safety measures are largely lacking from the FEIS. Since the area is lightly populated, sound impacts are ignored even though the admission is made that sounds of significant impact can travel a long way in open prairie land. While the light pollution is mentioned in an area that is currently very dark, no mitigation measures are proposed. Safety of the residents and visitors to the area of the new construction will not have the benefit of adequate safety measures. In the Final EIS, Volume III, Chapter 12, no page number but following page 29, there is a chart showing 58 new crossings with only cross bucks being provided. The danger, especially at night, of collisions between trains and vehicles is great when this is the meager protection required. In dark, foggy or blizzard conditions the reflective cross buck could easily be obscured. A driver could drive right into the side of the train as reflectors on trains are often obscured by dust, snow, or coal residue. The people of the area should not have to pay with their lives!

Volume III-B, page 4.4-6 states, "With adequate mitigation measures to control erosion, prevention of topsoil loss, and control measures to prevent invasion of noxious weeds, impacts to most soil groups should be shortterm, limited to the period of construction and revegetation." There is no source, it is simply assumed. There are no mitigation measures listed and in other places in the documents plowing fire guards and spraying to eliminate vegetation are mentioned as fire prevention measures. There are no studies of the probability of quickly reestablishing native species. (Sagebrush and many of the native grasses and forbs are difficult to reestablish.)

The FEIS recommended environmental conditions make no mention of preserving the wetlands that are so vital to the health of our native plants and animals. The maps of the Corps of Engineers show the proposal crossing thousands of wetlands and there is no mention of how that destruction will be mitigated.

Sincerely,
Wendy Roth
Wendy Roth

For Tim and Kylie

Schnose Ranch Vernon and Carolyn Schnose 12685 Maitland Rd Hot Springs, SD 57747

October 4, 2006

Mr. David Valenstein Federal Railroad Administration 1120 Vermont Avenue, NW Mail Stop 20 Washington, DC 20590

Dear Mr. Valenstein,

Vernon Schnose has owned and operated this ranch in Southwest South Dakota since 1964. During these forty two years, blizzards, drought conditions, cattle sickness, and low market prices for his beef have been obstacles to reach beyond and conquer.

DME Railroad company wants to set four to five miles of their rail on this ranch in 2007. This latest threat has been hovering over our heads like a vulture over a road kill for the last ten years. Construction of this rail line and moving more than thirty coal cars daily across this portion of the ranch will devastate grassland areas, watershed areas, streambeds, and water pipelines. Moving this line to our neighbors south, east, west, or north of our property lines will not eliminate the devastation to our ranch income, safety of our ranch animals, transportation routes, wildlife migration, and plant life. We respectfully ask that your board consider the damage that will occur along this DME expansion route to ranching, farming, recreation, and transportation.

We respectfully ask the Federal Railroad Administration to conduct your own Environmental Impact Study. The EIS prepared for the Surface Transportation Board leaves many gaps of information on our two most important resources on this planet ... WATER and AIR. Numerous changes have taken place along this route DME has selected for its trip to the Powder River Basin. ICE and Colony rail lines are a significant change in the DME Railroad Company.

We thank you for this opportunity to express our opposition and fears concerning this DME expansion project.

Vono & Digner

Sincerely,

Vernon Schnose Carolyn Schnose

Dear Mr. Valenstein.

My husband and I own land just west of highway 85 near the Cheyenne River. The proposed route of the DM&E rail would bi-sect our small ranch its whole width. There are many concerns I have about a rail line being built across our property, such as fire, noxious weeds, noise, hardship in moving cattle from one pasture to another, less grazing area and decreased land value.

Why should our hard earned tax dollars be so foolishly used to loan an outlandish amount of money to DM&E who has no private investors for this project, who has a deplorable record of repaying debt and due to very poor maintenance, has a bad safety record. The enclosed picture was taken at a bentonite plant at Colony, WY, three cars de-railed and over-turned. My thought is, if the DM&E cannot maintain a heavily used crossing, what is the condition of their line out in landowners' pastures?

I ask that the FRA prepare its own environmental impact statement.

The financial reports of DM&E are not at our disposal, yet Senator Thune expects taxpayers to allow our money to be used to finance a 2.3 billion dollar loan. Knowing the DM&E "track" record FRA must deny this loan.

If, after reviewing all the facts and after all our (the citizens, taxpayers and voters) protests, this DM&E loan is approved I would ask that the rail line be built along a corridor that already exists, by-passing Rochester and other large cities. If that is not determined then it could be built along-side highways and county roads to lessen the damage to landowners' property and making it easier for fire and repair crews to get to the track.

Sir, I ask you to please step back from your position in the FRA for a moment and look at this proposed rail line as if it were being laid across your property.

Thank you for your consideration of my point of view.

Ann Sedgwick

6 Delores Rd.

Newcastle, WY 82701



Dear Mr. Valenstein:

I am a landowner along the proposed route of the Dakota, Minnesota and Eastern railroad Powder River Basin Project. I have only cooperated with the DM&E to the extent required by eminent domain law.

I urge the FRA to conduct its own environmental review instead of accepting the EIS prepared for the Surface Transportation Board. The STB did a poor job, ignoring any views other than the railroad's. It is riddled with factual errors, out-of-date maps and incomplete studies of air, water, archaeology, and paleontology.

The transportation information is over nine years old as well as all of the environmental information. The project has changed radically with the addition of the ICE and Colony lines.

The STB's document is still being appealed to the 8th Circuit so final approval of that document is not even assured.

The present carriers are able to raise private capital to serve the public need for railroad transportation throughout the United States without begging for a huge subsidy from the federal government.

No public information has come forth to indicate that the DME would ever be able to repay a loan of this magnitude. DME has not been able to raise any money from the private sector and has not been able to show that it could ever secure any contracts to deliver coal. Why should the DME be given a sweetheart finance deal to compete with other railroads that can get the job done with private money.

In addition, the DM&E has a huge credibility problem. Their officials have tailored their stories to the different audiences and have submitted false information. In addition their submissions are always filed under seal so that we have no way to check their truthfulness. With their history of playing loosely with the facts, all filings asking for public assistance need to be open to the public.

The STB's constant refrain in all decisions was that the "market will decide whether this railroad will be built." The application for the use of federal money changes the project 180 degrees and so the environmental emphasis also changes radically.

I strongly support the need for the Federal Railroad Administration to prepare its own environmental impact statement. I object to the use of my money for this ill-conceived project.

Sincerely,

Bellshort

Dear Mr. Valenstein:

I am a landowner along the proposed route of the Dakota, Minnesota and Eastern railroad Powder River Basin Project. I have only cooperated with the DM&E to the extent required by eminent domain law.

I urge the FRA to conduct its own environmental review instead of accepting the EIS prepared for the Surface Transportation Board. The STB did a poor job, ignoring any views other than the railroad's. It is riddled with factual errors, out-of-date maps and incomplete studies of air, water, archaeology, and paleontology.

The transportation information is over nine years old as well as all of the environmental information. The project has changed radically with the addition of the ICE and Colony lines.

The STB's document is still being appealed to the 8th Circuit so final approval of that document is not even assured.

The present carriers are able to raise private capital to serve the public need for railroad transportation throughout the United States without begging for a huge subsidy from the federal government.

No public information has come forth to indicate that the DME would ever be able to repay a loan of this magnitude. DME has not been able to raise any money from the private sector and has not been able to show that it could ever secure any contracts to deliver coal. Why should the DME be given a sweetheart finance deal to compete with other railroads that can get the job done with private money.

In addition, the DM&E has a huge credibility problem. Their officials have tailored their stories to the different audiences and have submitted false information. In addition their submissions are always filed under seal so that we have no way to check their truthfulness. With their history of playing loosely with the facts, all filings asking for public assistance need to be open to the public.

The STB's constant refrain in all decisions was that the "market will decide whether this railroad will be built." The application for the use of federal money changes the project 180 degrees and so the environmental emphasis also changes radically.

I strongly support the need for the Federal Railroad Administration to prepare its own environmental impact statement. I object to the use of my money for this ill-conceived project.

P.S. The land they want to Hermosa, SP.

Put the new rail line
modes more Studing.
Don't let them Destony my Ranch, Planse.

Dear Mr. Valenstein:

I am a landowner along the proposed route of the Dakota, Minnesota and Eastern railroad Powder River Basin Project. I have only cooperated with the DM&E to the extent required by eminent domain law.

I urge the FRA to conduct its own environmental review instead of accepting the EIS prepared for the Surface Transportation Board. The STB did a poor job, ignoring any views other than the railroad's. It is riddled with factual errors, out-of-date maps and incomplete studies of air, water, archaeology, and paleontology.

The transportation information is over nine years old as well as all of the environmental information. The project has changed radically with the addition of the ICE and Colony lines.

The STB's document is still being appealed to the 8th Circuit so final approval of that document is not even assured.

The present carriers are able to raise private capital to serve the public need for railroad transportation throughout the United States without begging for a huge subsidy from the federal government.

No public information has come forth to indicate that the DME would ever be able to repay a loan of this magnitude. DME has not been able to raise any money from the private sector and has not been able to show that it could ever secure any contracts to deliver coal. Why should the DME be given a sweetheart finance deal to compete with other railroads that can get the job done with private money.

In addition, the DM&E has a huge credibility problem. Their officials have tailored their stories to the different audiences and have submitted false information. In addition their submissions are always filed under seal so that we have no way to check their truthfulness. With their history of playing loosely with the facts, all filings asking for public assistance need to be open to the public.

The STB's constant refrain in all decisions was that the "market will decide whether this railroad will be built." The application for the use of federal money changes the project 180 degrees and so the environmental emphasis also changes radically.

I strongly support the need for the Federal Railroad Administration to prepare its own environmental impact statement. I object to the use of my money for this illconceived project.

P.S. Thorn moded to be sincerely, Edma Short, more Study in using the Hermosa, 510. existing lines. Please don't give them the muney for new lines.

October 5, 2007

Mr. David Valenstein Federal Railroad Administration 1120 Vermont Avenue, NW Mail Stop 20 Washington, DC 20590

Dear Mr. Valenstein:

We are landowners who would be directly affected by the proposed route of the Dakota, Minnesota and Eastern railroad Powder River Basin Project.

We would like to ask the FRA to conduct its own environmental review instead of accepting the EIS prepared for the Surface Transportation Board. The STB's document is not satisfactory; it ignores any views other than that of the DM&E. This study is over nine years old; it is filled with factual errors, out-of-date maps and incomplete studies of air, water, and archaeology.

It is our understanding that the STB's document is still being appealed to the 8th Circuit Court so final approval of that document is not even assured.

Also we would like to address the proposed government loan of \$2.3 billion to the Dakota, Minnesota, and Eastern Railroad. We ask that you deny the loan. We do not believe that the government should loan money to a company for a project which is unable attract private investment based on its own merits. DM&E has not been able to acquire financing from private sources, and it has not been able to show that it could ever secure any contracts to deliver coal. Obviously private investors find the DM&E expansion project to be one not worthy of investment. This may be an indicator that DM&E is not on solid financial ground, and the expansion project is not viable, and therefore presents itself as a poor financial risk.

There are other reasons to deny the loan. It is not the role of government (or shouldn't be) to lavish huge subsidies upon large privately held corporations. This should not be done in the form of low or no interest loans, or in any other way. These subsidies only serve to undermine free enterprise by diminishing the role of competition in the free market. Please deny the loan.

Sincerely,

Bryan and Kathleen Stroh 3186 Hwy. 450 Newcastle, WY 82701

Dear Mr. Valenstein:

I am a concerned citizen from a community near the Dakota, Minnesota, and Eastern railroad's proposed Powder River Basin project.

I urge the FRA to conduct its own environmental review instead of accepting the EIS prepared by the Surface Transportation Board. The STB did a poor job, ignoring any views other than the railroad. It is riddled with factual errors, out-of-date maps and incomplete studies of air, water, archaeology, and paleontology.

The transportation information is over nine years old as well as all of the environmental information. The project has changed radically with the addition of the ICE and Colony lines.

The STB's document is still being appealed to the 8th Circuit so final approval of that document is not even assured.

The present carriers are able to raise private capital to serve the public need for railroad transportation throughout the United States without begging for a huge subsidy from the federal government.

No public information has come forth to indicate that the DME would ever be able to repay a loan of this magnitude. DME has not been able to raise any money from the private sector and has not been able to show that it could ever secure any contracts to deliver coal. Why should the DME be given a sweetheart finance deal to compete with other railroads that can get the job done with private money.

In addition, the DM&E has a huge credibility problem. Their officials have tailored their stories to the different audiences and have submitted false information. In addition their submissions are always filed under seal so that we have no way to check their truthfulness. With their history of playing loosely with the facts, all filings asking for public assistance need to be open to the public.

The STB's constant refrain in all decisions was that the "market will decide whether this railroad will be built." The application for the use of federal money changes the project 180 degrees and so the environmental emphasis also changes radically.

I strongly support the need for the Federal Railroad Administration to prepare its own environmental impact statement. I object to the use of my money for this ill-conceived project.

Sincerely,

Butan A. Thaper

David Valenstein Environmental Program Manager 1120 Vermont Avenue NW Mail Stop 20 Washington, DC 20590

Dear Mr. Valenstein,

We have been notified by you, that you are accepting the Environmental Impact Statement prepared by the Surface Transportation Board for the DM&E Railroads proposed Powder River Basin Expansion Project. We will have new track running across our ranch and many items were not addressed in this EIS that are of great concern to us. The issue of our wetlands is a concern. They will be blocked by the new tracks not letting our livestock watering dams fill. We initially saw maps from the Army Corps of Engineers, at our local library showing trestles and culvert in the wrong places. This would flood our hay fields and not fill the existing dams.

There is a footnote in the EIS that is a great concern to us. Our neighboring town Red Shirt of the Lakota Nation will have to receive hazardous material training. Why is this, and the ranchers in our area do not need training. What will the backhauls on this coal train haul across our land to fill the Red Shirt dump.

The neighbor ranches cover many hundreds of acres. We only have a small ranch of 960 acres. Our hayfield that is being cut in half is our only support the ranch gives. Due to the drought is has been a tough 6 years plus. We could never sell what we have put into this ranch after the train would dissect the hay field and back up the water source. In the event this does go through the coal dust fresh from the mines would lay heavy on the fields. This will affect the natural grass grazing areas in our community. We are part of the Buffalo Gap National Grass Lands, a very sensitive eco area.

The type of ground they will be constructing on is called Pierre Shale. It does not hold anything. The hills slide at the slightest shaking. I could not find this situation addressed in the EIS.

Fire is a very frequent ongoing in our area. This year alone we have had a dozen or more prairie fires. We only have a small volunteer fire department. One fire can wipe out a mans grain or hay field which is his life and livelihood. Two years ago DM&E started fires in the winter. They do not do the weed control around the tracks that they need to. They have a bad reputation around here for doing that.

Looking into the DM&E's safety record it has been astonishing. I imagine they do have to file with you every time they have an accident. Also we are aware that they have never paid back the loan they were given here in South Dakota. The government finally wiped that slate clean so they could continue to function on the tax payers money. It looks like they are trying to do this again. Your loans state than an applicant has to have honesty and integrity. This is something that the DM&E does not have. We have seen his statements change from town to town. He just tells a man what he or the town wants to hear and goes on to the next town to do the same. Hopefully you will openly investigate his past speeches to see the truth.

We are not just concerned for ourselves. The Global Warming is a concern to all of our nation and this will certain add to it. The BNSF & UP already ship at capacity out of the Powder River Basin and seem to improve there lines without the help our yours and my taxes. When DM&E gets a loan with government funds, they buy hopper cars instead of fixing faulty rails causing more and more accidents. We have had three derailments in the past two months in our area alone.

The DM&E is very unsure of where they are putting this track. As we write we have received 4 different location maps coming through our mere 960 acres. This has been very worrisome to us and is starting to cause health problems already. We have received a check for trespassing on our ranch from the DM&E.

Evidently they needed to survey or something and did not feel they needed to get permission. Last week they did call us to get permission to dig up our hay crop to do cultural resources and paleontology excavations.

As many things have changed in this world since the EIS was undertaken back in the 90's we feel there needs to be a new EIS written containing things left out before especially on our wetland issues.

Need for the project? In the Final SEIS on page 4-8 & 4-9 the STB claims, in fact, they make a big point that this project won't change coal production, consumption, or energy generation yet one of the reasons that PRB project was needed was to meet the Midwestern utilities increase demand for energy production.

On page 4-31 It states "But there is every reason to believe that, regardless of whether DM&E were to enter the PRB transportation market as a third competitor, the expected year by year increases in demand for PRB coal would be met by the existing carriers increased productivity or expanding capacity on their existing routes."

Knowing all of this, why does the public have to be burdened by the DM&E's horrid accident rates, possible death and disaster, tearing up of our beautiful countryside, depositing pollution in our waterways, on towns, and on our crop lands. Let DM&E fix the old track and carry on their usual business so we can get on with ours. This harassment of the landowners out here has been eight years long and must stop.

These are a few things we would like to know?

- 1. The number of contracts secured with electric utilities and there total value.
- 2. The amount of private financing secured to date in support of the project.
- 3. A list of current salaries of the DM&E management team and the compensation packages they will be award upon approval of this project.
- 4. Current annual revenues of the DM&E.
- 5. A list of investors with five percent or greater interest in DM&E.
- 6. Documentation of the collateral and the amount.
- 7. A description of the project's finances and the terms, including the projects estimated total value.
- 8. A detailed listing of hazardous materials currently transported annually.
- 9. A detailed description of DM&E's current safety and training protocol.

We are hoping that you will find a way to resolve these unanswered issues in the FEIS, and are asking you to please dig deeply into this company's integrity and honesty. Don't be fooled as our communities along the track have. We have done the research. (Most of all we are hoping you will deny this controversial issue, for we are all involved as Americans against global warming.) Thank you so much for listening.

Sincerely,

Jem J Carelman peacely tous lower

October 4, 2006

Mr. David Valenstein, Environmental Program Manager Federal Railroad Administration 1120 Vermont Ave., N.W. Mail Stop 20 Washington, D.C. 20590

Mr. Valenstein:

Our home for the past 23 years is 143 feet from the north rail of what is currently the DM&E Railroad. The DM&E right-of-way in our neighborhood is 100 feet. CNW Railroad sold portions of their ROW to home developers probably in the late 1950s early 1960s. The ROW acquired by DM&E Railroad is not wide enough to provide safety margins for the homes in Brookings. If DM&E wishes to run mile and half coal trains through the heart of Brookings, bisecting our city, DM&E should be required to repurchase the land and residential homes and businesses built since the CNW ROW sale. The Brookings ROW is simply inadequate for 38,000 ton heavy haul coal trains and transportation of hazardous material. Damaging noise decibels, vibration, carcinogenic diesel exhaust pollution, and the obvious close proximity of homes and businesses to the DM&E track should not be the burden of citizens. A full investigation into the CNW land transactions should be made to document that it was the railroads(CNW and DM&E) that reduced their ROW to unsafe standards, not citizens who bought lots and built homes and businesses adjacent to the tracks. The question often asked of citizens, "Didn't you know there was a railroad there" is not legally binding because it was the railroads who sold the ROW and who should have asked themselves, "Didn't you know you were going furn this railroad into a "dedicated coal pipeline" (Kevin Schieffer's words) someday?" Something about DM&E's loan application smells. Deny this loan now!

We wish to state unequivocally that the STB environmental analysis on the DM&E Railroad Powder River Basin project was a scam and bureaucratic fraud perpetrated upon United States citizens. Nothing the STB's EIS did resembled the truth. Property devaluation, loss of quality of life, diesel emissions in residential neighborhoods, vibration, noise decibels exceeding safety limits and personal safety were all manipulated to fall under the STB's generous accommodations for DM&E Railroad. If granted this loan, not only would DM&E get a sweetheart, good old boy deal(courtesy of South Dakota Senator John Thune). All legitimate citizen concerns were ignored to pave the way for DM&E. Case in point: I personally spoke to the STB's Victoria Rutson at a hearing in Brookings advising her that Brookings, South Dakota, statistics had been left out of many of the charts for towns in Brookings County, South Dakota. I physically pointed to the omissions in the STB section pertaining to Brookings County. She did nothing to correct the problem which omitted valuable statistical information on noise and vibration receptors. Government dropped the ball and did not revise and remedy this statistical omission.

At the other end of the state is an additional case in point: Wasta, South Dakota rancher Paul Jensen, whose environmental, geological, and archeological submissions to the STB were totally ignored. There is no justice in the STB's whitewash and sacrifice of citizens' property, quality of life, and health in Wyoming, South Dakota, and Minnesota. This is a moral issue and government is wholly and consciously culpable. When the STB does not respond to valid and written citizen commentary, it is a part of the fraud that pervades this whole DM&E Project. Deny this loan.

The FRA cannot legally rely on the fatally flawed STB FEIS or the earlier DEIS. Both were and continue to be outdated, incomplete, and legally inaccurate. DM&E, with the acquisition

of the IC&E line(actually it was the FRA that bought the IC&E line with the December 2003 \$233 million loan) added thousands of miles of coal hauling track which has not been scrutinized, evaluated, and studied by a new and current EIS. Numerous towns and cities in lowa and Minnesota have been added to the DM&E coal train track nightmare. These communities and landowners are legally entitled to the same scrutiny that the rest of the line has experience. Hopefully, these additional studies will be honest and not dishonest like their predecessor. Because of the fatally flawed nature of their earlier studies, Burns and McDonnell should not be chose for this segment of study. Why reward incompetency again and again? This whole 9 year nightmare smells. Deny this loan!

The FRA should deny DM&E this loan because of past DM&E integrity issues regarding safety and environmental problems. DM&E has several instances in their history when they purposely deposited hazardous to public health products into environmentally unsound dump areas in their Huron, SD yard. The result netted DM&E a place on the Superfund cleanup list. There are also several cases where DM&E negligently underreported or did not report at all petroleum spills in Minnesota. In one case, Balaton, Minnesota, DM&E reported to the FRA that only 15,000 gallons of ethanol were spilled. In contrast to DM&E's FRA report, the Minnesota Pollution Control Agency listed 60,000 gallons of ethanol and 31,000 gallons of crude soybean oil. Why these omissions were not prosecuted by the FRA in court remains to be answered. A differential of 45,000 gallons of ethanol spilled and failure to report 31,000 gallons of soybean oil cannot be attributed to a memory lapse. This is fraud, pure and simple and the FRA should have taken appropriate legal measures against DM&E.

None of the STB's EIS studies investigated the rail-wrecking potential of Pierre Shale as a project barrier. Study must be done from Pierre, South Dakota, west to the Wyoming line. The problems of Pierre Shale were dismissed and overlooked by the STB and DM&E but no studies were done to warrant the dismissal. Pierre Shale may well be the Achilles Heel of this project. DM&E does not discuss the problem scientifically. Instead, like their dismissal of the Mayo Clinic Bearing Point Study, DM&E simply poo-pooed the idea and tried to dissolve the controversy by refusing to address it.

DM&E will have to use eminent domain against 128 South Dakota West River landowners. Where is the morality and civility in this project. Why is DM&E allowed to trample the lives, quality of life, and financial stability of 128 landowners. Why in good conscience would the FRA and the STB endorse and underwrite such an injustice? We hear a great deal from the DM&E generated GO-PAC group which is made up of largely Ag related groups. In not one instance has any member of GOPAC volunteered their land or property for DM&E's foreign owned "dedicated coal pipeline." As a matter of fact, Scott VanderWal, President of the South Dakota Farm Bureau, bristled several years ago when one of the proposed bypasses for Brookings, South Dakota, would have passed through his land. GOPAC is a mere instrument orchestrated by DM&E CEO Kevin Schieffer. Strange that GOPAC, whose membership is almost entirely Ag related would join Kevin Schleffer in the use of eminent domain against fellow Ag citizens and ranchers. DM&E's coal pipeline is a wicked proposal that has already done more to divide and enrage our state's citizens than any construction project in the history of South Dakota. There are absolutely no moral grounds for a foreign owned railroad to suddenly veer off its own, established line and plunge through the land and lives of 128 ranchers in Western South Dakota and Northeastern Wyoming. This loan should be denied on this point alone: DM&E has no legal and moral right to ruin the lives and land of 128 ranchers. Deny this loan.

The disinformation which has spilled from the mouths of DM&E CEO Kevin Schieffer from the beginning of this project is well-document on several websites and in numerous documents. Mr. Schieffer might well be name Mr. Shifter because he has changed his

story so many times to fit the STB and FRA mold. We believe the STB and the FRA has a moral and legal obligation to investigate Mr. Schieffer's veracity on all issues. If citizen comments are carefully scrutinized for their truth and validity, then Mr. Schieffer needs to subjected to the same close analysis. There is a myriad of topics to verify: hazardous materials, phantom investors, the ever-changing number of coal trains and hazardous material cars passing through population-heavy small towns and cities, DM&E's "push poll" which was used to manipulate false support for the project, DM&E repetition that "55 of 56" communities support the project when in fact at least 55% of the people living in those communities do not have Community Partnership Agreements with DM&E, DM&E's abysmal safety record and the evasive and false public statements made to cover up that safety record by CEO Schieffer and other DM&E management—the list is endless and the sheer number of questions points to one end: Deny DM&E this loan.

As taxpayers, we highly resent and are steadfastly opposed to using \$2.3 billion US tax dollars to once again underwrite largely foreign owned DM&E Railroad's inability to financially stand on its own two feet. The recipient of \$233 million FRA loan just three years ago points to the fact that DM&E should never have been allowed to acquire IMRL. DM&E's need to borrow \$233 million just 3 years ago to "refinance" the IMRL acquisition speaks of its financial weakness. Now DM&E wants a whapping \$2.3 or is it \$2.4 or is it \$2.5 billion dollars to go into competition with BN and UP. Since when did the Federal Government subsidize one railroad at the expense of others, especially when this load dwarfs all loans in history? America doesn't need railroad socialism. DM&E, aided and abetted by South Dakota Senator John Thune, should be required to accomplish its project on private money, not Taxpayer, pork barrel handouts arranged in backrooms by John Thune and company. Nor is it proper to loan DM&E \$2.3 billion dollars only to have DM&E hand the railroad and the loan over to Canadian National Railroad.

We used to have faith in government and our Congressional Delegation, but all faith has been lost. Former South Dakota Senator Pressler began the influence peddling by received nearly \$40,000 from DM&E Executives and investors. Pressler, of course, was Kevin Schieffer's boss. Then we had Senator John Thune prostituting himself as a lobbyist for DM&E and then as Senator rewriting the RRIF bill to tailor it for DM&E Railroad. That is corruption pure and simple. Any time a US Senator crafts a bill, behind closed doors and with no Congressional review, to specifically fit the needs of a former employer, DM&E Railroad, it smacks of corruption.

We also ask that all comments submitted to the FRA be listed in full on the FRA website. We abhor the the fact that DM&E's application was not open for public examination. Any time that secrecy is employed, a smell quickly begins to emanate. DM&E's secret application smells and their request for a \$2.3 billion dollar loan should be denied. This just isn't the way we should do business in America.

David E. Walder Barbara A. Walder

1308 LeGeros Drive Brookings, SD 57006

Dear Mr. Valenstein

I am a rancher on the DM&E proposed expansion. The proposed track will cross Battle Creek and SD Hwy 40 on my property. This is significant because of 2 reasons that are not addressed in the STB EIS. 1. SD Hwy 40 is now a paved road to the largest town on the Pine Ridge Indian Reservation, Pine Ridge. The traffic on this Hwy has more than tripled since traffic surveys were conducted at this proposed at grade crossing.

2. Battle Creek is not only a drainage but also a miniature aquifer which is a losing system in itself. There are 10 households below the point of contact between the creek and proposed rail line. If a derailment occurred in this area, these ten homeowners (which I am one of) wells can and will be contaminated. This is not just ten wells I alone have 6 wells in this aquifer. These are just 2 new concerns about the expansion to go along with hundreds being appealed in the 8th circuit. Nowhere is this concern addressed in the EIS which is out of date, incomplete, incorrect and under appeal in the 8th circuit. To top it off, the EIS was completed before the ICE and Colony lines were acquired.

The present carriers raise private capital to serve the public need for railroad transportation without the help of the largest federal loan for a private business in US history.

No public information is available to show the DM&E is capable of repaying a loan of this size. The DM&E has not been able to raise any private funding for this project. The STB position was that the market would dictate whether this rail would be built, not the taxpayers dollar. The application for use of Federal money changes the project so dramatically, the environmental emphasis also must change radically.

I strongly support the need for the FRA to prepare its own environmental impact statement that is current with present concerns, complete and correct. This is happening in my back yard, 300 feet from my home. This railroad has the worst safety record in its class and I oppose my tax dollars supporting this ill-conceived plan.

Sincerely,

Jenny Wordeman

13704 Neck Yoke Rd Rapid City, SD 57702

October 6, 2006

Mr. David Valenstein Federal Railroad Administration 1120 Vermont Avenue, NW Mail Stop 20 Washington, DC 20590

Dear Mr. Valenstein:

I am a landowner and a concerned citizen along the proposed route of the Dakota, Minnesota and Eastern railroad Powder River Basin Project

There are several reasons the FRA should conduct its own environmental review. The existing EIS prepared by the Surface Transportation Board is over nine years old and is out of date. The original information was inaccurate, using out of date maps and incomplete studies on air, water and archaeology.

On our ranch the environmental impact the route could have is tremendous and I believe applies to any area along the proposed route. The proposed route cuts the ranch in half diagonally and also passes within approximately 450 ft of the two homes on the ranch. The noise, vibration, and coal dust that the trains would cause in the area of the homes would make them unlivable. However, in my estimation this is only the tip of the iceberg.

DM&E has the worst safety record of the 43 largest US railroads based on your own statistics. With this dismal safety record it is not a matter of if but when there will be a derailment, with serious human and environmental consequences.

The Battle Creek River which the DM&E will have to cross also acts as a small aquifer in the area. This means when there is a spill from the railroad the wells in the area could easily be contaminated.

I do not recall any study in the original EIS on the wind speeds in the immediate area. On any given day the wind in this area can be blowing at 30-50 mph. The coal dust that this will create from 100 car coal trains will definitely affect the quality of the air in the area.

Again, with the safety record of the DM&E the probability of a grass fire being started is a given. Paired with the safety record and the wind speed in the area a grass fire could mean that we lose a majority of the grasslands and possibly the 2 homes on the ranch.

Because you have become involved in this process through the loan application by the DM&E, I urge you to be diligent in the evaluation of all the facts.

Sincerely,

Linda Wordeman

(Say allerdonan

Dear Mr. Valenstein

I am a rancher on the DM&E proposed expansion. The proposed track will cross Battle Creek and SD Hwy 40 on my property. This is significant because of 2 reasons that are not addressed in the STB EIS. 1. SD Hwy 40 is now a paved road to the largest town on the Pine Ridge Indian Reservation, Pine Ridge. The traffic on this Hwy has more than tripled since traffic surveys were conducted at this proposed at grade crossing.

2. Battle Creek is not only a drainage but also a miniature aquifer which is a losing system in itself. There are 10 households below the point of contact between the creek and proposed rail line. If a derailment occurred in this area, these ten homeowners (which I am one of) wells can and will be contaminated. This is not just ten wells I alone have 6 wells in this aquifer. These are just 2 new concerns about the expansion to go along with hundreds being appealed in the 8th circuit. Nowhere is this concern addressed in the EIS which is out of date, incomplete, incorrect and under appeal in the 8th circuit. To top it off, the EIS was completed before the ICE and Colony lines were acquired.

The present carriers raise private capital to serve the public need for railroad transportation without the help of the largest federal loan for a private business in US history.

No public information is available to show the DM&E is capable of repaying a loan of this size. The DM&E has not been able to raise any private funding for this project. The STB position was that the market would dictate whether this rail would be built, not the taxpayers dollar. The application for use of Federal money changes the project so dramatically, the environmental emphasis also must change radically.

I strongly support the need for the FRA to prepare its own environmental impact statement that is current with present concerns, complete and correct. This is happening in my back yard, where I raise my children (4 and 2 years old) 300 feet from my home. This railroad has the worst safety record in its class and I oppose my tax dollars supporting this ill-conceived plan.

Sincerely,

Robert Wordeman 15445 SD-Hwy40

Hermosa SD 57744